

# RESPONSE TO AN APPLICATION FOR EXEMPTION FROM DUTY UNDER THE *CUSTOMS TARIFF (ANTI-DUMPING) ACT 1975*

Exemption inquiry EX0070 – response requested by 4 March 2019.

## 1 Introduction

The Anti-Dumping Commission (the Commission) requests your response to an application for exemption from anti-dumping measures under the *Customs Tariff (Anti-Dumping) Act 1975* (the Dumping Duty Act).

Subsection 8(7)(a) of the Dumping Duty Act provides a discretion for the Minister for Industry, Science and Technology (the Minister) (or his or her delegate) to exempt goods from anti-dumping measures, where he or she is satisfied that like or directly competitive goods are not offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade.

The Commission has received an application for exemption from anti-dumping measures in respect of certain steel reinforcing bar (rebar) for the goods described at section 5 of this form ('the exemption goods').

Your company has been identified as an Australian producer of the goods.

The Commission seeks your assistance in this exemption inquiry by responding to this questionnaire. The Commission will use the information you provide in its assessment as to whether an exemption from dumping duties may be recommended to the Minister for Industry, Science and Technology (the Minister).

## 2 Measures on Steel Reinforcing Bar (Rebar)

Anti-dumping measures, in the form of a dumping duty notice, were initially imposed on rebar exported to Australia from Greece, the Republic of Indonesia (Indonesia), Spain (Nervacero S.A), Taiwan (by Power Steel Co. Ltd) and the Kingdom of Thailand (Thailand) by public notice with an effective date of 8 March 2018<sup>1</sup> by the then Assistant Minister for Science, Jobs and Innovation and Parliamentary Secretary to the Minister for Jobs and Innovation following consideration of the *Anti-Dumping Commission Report No 418* (REP 418).<sup>2</sup>

The goods to which current anti-dumping measures apply are<sup>3</sup>:

*Hot-rolled deformed steel reinforcing bar whether or not in coil form, commonly identified as rebar or debar, in various diameters up to and including 50 millimetres, containing indentations, ribs, grooves or other deformations produced during the rolling process.*

*The goods covered by this application include all steel reinforcing bar meeting the above description regardless of the particular grade, alloy content or coating.*

*Goods excluded from this application are plain round bar, stainless steel and reinforcing mesh.*

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<sup>1</sup> The Dumping Duty notice in relation to the goods exported from Greece, Indonesia, Spain (Nervacero S.A), Taiwan (Power Steel Co. Ltd) and Thailand is [ADN 2018/10](#).

<sup>2</sup> Document 068-REP, EPR 418.

<sup>3</sup> As described in [ADN 2018/10](#).

The current rates of dumping duty on rebar exported to Australia are set out in ADN 2018/10.<sup>4</sup>

### 3 Application for Exemption from Measures

An application for exemption has been made to the Commission by **International Drilling Equipment Pty Ltd**. The Commission has considered the application and after consultation with the applicant, accepted the application and will now undertake an examination to determine whether it should recommend the requested exemption.

### 4 Exemption Provision

The Dumping Duty Act provides a discretion for the Minister to exempt goods from dumping duties if one of the criteria in subsection 8(7)(a) is met.

#### Subsection 8(7)(a)

*The Minister may, by notice in writing, exempt goods from interim dumping duty and dumping duty if he or she is satisfied:*

- (a) that like or directly competitive goods are not offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade;*

The exemption provisions are subject to the discretion of the Minister and an exemption is not automatically granted, even where the criteria in the provision is met.

### 5 The goods subject to this exemption application

The goods that are the subject of this exemption inquiry (the exemption goods) are described by the applicant as 40mm steel threadbar grade strength 500N.

The applicant provided further details as follows:

- The rib geometry is completely different from steel reinforcing bar. It is a continuously rolled coarse thread onto which steel nuts and couplers can be screwed anywhere along the entire length of the threadbar. This is impossible with standard stock reinforcing bars as they are not threaded.
- Threadbar is used in ground anchoring application such as rock bolting/anchoring as well as soil nailing.
- Threadbar can be readily modified on site because the continuous thread allows couplers and joiners to be used to extend the bars and for end anchorage such as nuts and plates to be installed at any position along the threadbar.
- Design Engineers specify threadbar instead of reinforcing bars because machining a thread on rebar reduces the strength of the rebar at the point where the machining has occurred. There are also significant lead times involved in machining a thread onto rebar due to the galvanizing process.

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<sup>4</sup> [ADN 2018/10](#)

## Goods produced in Australia

The applicant claims that there are no Australian manufacturers of 40mm steel threadbare grade strength 500N.

## 6 Instructions on completing this 'Response to the Exemption Application'

The applicant has identified your company as a producer of rebar.

Consequently, the Commission has forwarded you this 'response to exemption application' (the response) to provide you with the opportunity to participate in this exemption inquiry.

The Commission seeks your assistance with this exemption inquiry by responding to the questions in this form. The Commission will use the information you provide to make a recommendation as to whether an exemption from dumping duty should be granted by the Minister for Innovation, Science and Technology.

Specifically, the information provided by Australian rebar producers will assist the Commission in determining whether like or directly competitive goods are offered for sale in Australia and whether offers for sale of the goods are available to all purchasers on equal terms under like conditions having regard to custom and usage of trade.

### Due date for the response

We request that you complete your response and return it to the Commission by **4 March 2019**.

Please email your response to [investigations4@adcommission.gov.au](mailto:investigations4@adcommission.gov.au)

Responses may be lodged either by mail or by email to the following:

The Director – Investigations 4

*by email:* [investigations4@adcommission.gov.au](mailto:investigations4@adcommission.gov.au)

*by post:* Anti-Dumping Commission  
GPO Box 2013  
Canberra ACT 2601  
Australia

*by fax:* (03) 8539 2499 or +61 3 8539 2499 (outside Australia).

### Verification of the information that you supply

The Commission may seek to verify part or all of the information supplied in the response. The Commission may request evidence to support the claims such as quotations and offers of sale.

An onsite visit by the Commission may be required in some cases. A report will be prepared of visits conducted and a non-confidential version will be placed on the public record.

There is no legislative timeframe for completion of an exemption inquiry, however a recommendation to the Minister will be made as soon as practicable after obtaining all relevant information.

**Confidential and non-confidential submissions**

We request that you also lodge a non-confidential version of your response suitable for placement on the public record. The Commission puts greater weight on submissions that are available to other interested parties for comment.

Please ensure that each page of information you provide is clearly marked either "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD".

All information provided to the Commission in confidence will be treated accordingly. The non-confidential version of your submission will be placed on the public record.

**Outline of information required by the response**

<b>Part A</b>	Company contact information
<b>Part B</b>	Response to exemption application
<b>Part C</b>	Identical goods
<b>Part D</b>	Like or directly competitive goods
<b>Part E</b>	Capability to produce like or directly competitive goods
<b>Part F</b>	Additional comments
<b>Part G</b>	Your declaration

**Response to Exemption Application**

**PART A – Company Information**

**A.1** Please provide the following company contact information:

Name:	████
Position in company:	████
Address:	████
Telephone:	████
Facsimile number:	
E-mail address of contact person:	████

## PART B – Response to Exemption Application

### B.1

Does your company oppose or not consent to the request for an exemption?

- Oppose
- Not oppose

**NOTE: If your company does not oppose the request for an exemption, you do not need to complete all parts of the questionnaire. Please indicate that you do not oppose the request (stating the reasons why), answer the questions that are relevant to your reasons for not opposing the request, sign and return the form as soon as possible.**

## PART C – Identical Goods

### C.1

Does your company produce, in Australia, goods that are identical in all respects to the goods described in section 5 of this 'Response to Exemption Form'?

If no, go to Part D - Like or directly competitive goods.

- Yes
- No

### C.2

Please provide evidence that you have produced and sold in Australia, in the last 12 months, goods that are identical in all respects to the goods subject to this application for exemption.

Evidence can be in the form of production reports and sales invoices. To the extent that production reports or sales invoices do not refer to the goods in the same detail as set out in the description of the goods (section 5), please provide additional information that indicates that identical goods have been produced or sold. The evidence should be attached to this form to ensure that it can be linked to this specific response. Please also include any available product literature in respect to the identical goods you have produced and sold.

### C.3

Provide evidence of the terms and conditions of sale of these identical goods. Are these products available to all purchasers on equal terms under like conditions? If so, provide evidence and explain why you consider that these products are available to all purchasers on equal terms under like conditions.

Evidence can be in the form of sales invoices, sales contracts, sales reports or advertisements and brochures.

## **PART D – Like or Directly Competitive Goods**

### **D.1**

If your company does not produce identical goods, does it produce and sell in Australia goods that are like or directly competitive to the goods subject to this application for exemption?

Yes

In determining whether the goods are like or directly competitive, the Commission will consider whether the goods have characteristics closely resembling each other and are substitutable.

The Commission may also consider;

- whether physical characteristics of the goods are similar (including size, weight, shape, content, appearance, grade, standards, strength and purity);
- whether the goods are commercially alike, this may include consideration of the following;
  - whether the goods directly compete in the same market sector;
  - the extent to which participants in the supply chain are willing to switch between the goods and the goods subject to the application for exemption;
  - how the price of the goods and goods subject to the application influences consumption;
  - whether the goods share similar distribution channels; and
  - whether the goods are similarly packaged.
- functional likeness – whether the goods are suitable with regard to end use, this may include an assessment of;
  - the extent to which the goods are functionally substitutable;
  - the extent to which the goods are capable of performing the same or similar function;
  - whether the goods have the same or similar quality standards; and
  - consumer behavior in relation to the goods and goods subject to this application for exemption.
- production likeness, this may include an assessment of;
  - the extent to which the goods are constructed of the same or similar materials;
  - the manufacturing process of the goods; and
  - whether any patented processes or inputs are involved in the production of the goods.

**D.2**

If you answered yes to question D.1, please provide a description of the goods produced by your company that you consider to be like or directly competitive to the goods subject to this application. Your description of the goods your company produces should refer to all aspects of the goods as set out in the description of the goods in section 5.

Deformed bar in straight lengths, grade 500N with nominal diameter of 40mm produced in Australia is considered to be directly competitive with 'the exemption goods' in terms of the following aspects:

Characteristics	Description
Physical likeness	Both present as 40mm nominal diameter bar with a deformed rib pattern introduced during the hot-rolling process, i.e. deformed bar in straight lengths ( <b>DBIL</b> ).
Production likeness	Both are produced with a hot rolling process, requiring no further processing for sale. Both are produced to Australian/New Zealand Standard AS/NZS4671 Steel Reinforcing Materials, Grade 500N: <ul style="list-style-type: none"> <li>• The chemistry and mechanical property requirements specified by the Standard are identical</li> </ul>
Functional likeness	Both 'the exemption goods' and the 'goods produced in Australia' are functionally alike, both: <ul style="list-style-type: none"> <li>• are produced to grade 500N;</li> <li>• are certified by the Australasian Certification Authority for Reinforcing and Structural Steels (ACRS) as "Hot Rolled Steel Reinforcing Bar" meeting the requirements of AS/NZS4671;</li> <li>• are in straight lengths; and</li> <li>• are capable of use in concrete reinforcing applications.</li> </ul> <p>The Thailand mill producing 'the exemption goods' trademarked "Onebar", namely MillCon Steel PLC, holds an ACRS certificate similar to that of Liberty Steel<sup>5</sup>.</p>
Commercial likeness	Both types of bar are sold for concrete reinforcing purposes. The verified information before the Commission supports this contention.  In Dumping Investigation 264, the verification team visiting MillCon Steel PLC reported:  <i>"Onebar is a rebar product that has a continuous thread imprinted in its surface. Onebar has the same general construction end uses as regular grades of rebar but the thread allows splicing anywhere along the rebar, avoiding the need for welding. Onebar is manufactured by a slight alteration to the finishing rolling process."</i>

<sup>5</sup> CONFIDENTIAL ATTACHMENT A and CONFIDENTIAL ATTACHMENT B

	<p><i>"We consider F250N, F500N and Onebar to be the goods under consideration."</i><sup>6</sup></p> <p>The Anti-dumping Commission again included exports of "OneBar" in their assessment of like goods for MillCon Steel PLC in <i>Dumping Investigation 418</i>, concluding that:</p> <p><i>"goods manufactured for domestic consumption are identical to, or have characteristics closely resembling, the goods exported to Australia."</i><sup>7</sup></p>
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Please provide evidence that the goods you consider like or directly competitive to the goods subject to this application for exemption have recently been produced or sold in Australia by your company. Evidence can be in the form of production reports and sales invoices. To the extent that production reports or sales invoices do not refer to the goods described in the above table, please provide additional information that indicates that the goods have been produced or sold. The evidence should be attached to this form to ensure that it can be linked to this specific response. Please also include any available product literature concerning the like or directly competitive goods you produced and sold.

Documents attached are as follows:

- Two recent sales invoices for 40mm Grade 500N deformed bar.<sup>8</sup>
- ACRS certificates for Liberty Steel Rooty Hill<sup>9</sup> and Thailand's Millcon Steel.<sup>10</sup>
- An example of a Product and Availability Guide (for NSW) showing 40mm deformed bar offered.<sup>11</sup>

### D.3

Provide evidence of the terms and conditions of sale of these like or directly competitive products. Are these products available to all purchasers on equal terms under like conditions? If so, provide evidence and explain why you consider that these products are available to all purchasers on equal terms under like conditions.

Evidence can be in the form of sales invoices, sales contracts, sales reports or advertisements and brochures.

Documents attached are as follows:

- ACRS certificates for Liberty Steel Rooty Hill<sup>12</sup> and Thailand's Millcon Steel.<sup>13</sup>
- An example of a Product and Availability Guide (for NSW) showing 40mm deformed bar offered.<sup>14</sup>

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<sup>6</sup> EPR 264/062 at pp. 11-12

<sup>7</sup> EPR 418/029 at p. 4.

<sup>8</sup> CONFIDENTIAL ATTACHMENT C and CONFIDENTIAL ATTACHMENT D.

<sup>9</sup> CONFIDENTIAL ATTACHMENT B

<sup>10</sup> CONFIDENTIAL ATTACHMENT A.

<sup>11</sup> CONFIDENTIAL ATTACHMENT E.

<sup>12</sup> CONFIDENTIAL ATTACHMENT B.

<sup>13</sup> CONFIDENTIAL ATTACHMENT A.

<sup>14</sup> CONFIDENTIAL ATTACHMENT E.

**PART E – Capability to Produce Identical or Like or Directly Competitive Products**

**E.1**

If your company has not produced and sold in Australia products that are identical to, or like or directly competitive to the goods subject to this application for exemption, is your company capable of producing such goods?

Yes

No

**E.2**

If you answered yes to question E.1, indicate whether the product that you can produce is identical to, or like or directly competitive to the goods subject to this application for exemption.

Even though Liberty Steel contends that it produces like or directly competitive goods to 'the exemption goods' in PART D (above), further or in the alternative, Liberty steel contends that it is able to produce 40mm diameter bar with a continuous thread rib profile. This is because, Liberty Steel has proven capability to produce both threaded rib profiles and bar size and grade required, specifically:

- Grade 500N reinforcing bar in 40mm diameter; and
- Grade 500N with a continuous thread rib profile in 32mm.

Therefore, all that is required is:

- a modification to the rolls at its mill (██████████); and
- an order to supply 'the exemption goods'.

**E.3**

If you are capable of producing identical, like or directly competitive goods, explain why you have not produced such goods.

Liberty Steel has not received an order for a commercial quantity of the identical goods. If a customer requires a certain bar size, grade and rib profile which is not offered as part of Liberty Steel's suite of standard products, Liberty Steel will routinely work with the customer to produce a product that meets their requirements. The applicant to this exemption application has not to date approached Liberty Steel to supply the goods they are currently importing.

Instead, Liberty Steel contacted the applicant seeking an opportunity to quote and offer to sell and supply 'the exemption goods' to the applicant. In rejecting Liberty Steel's offer to produce and supply 'the exemption goods', the applicant ██████████

██████████ [reasons for rejected offer to produce and supply 'the exemption goods']

Correspondence relating to contact with the applicant is attached as CONFIDENTIAL ATTACHMENT F.

Provide evidence of your production capability, including evidence of the production and sale of similar products, certification of the identical, like or directly competitive goods and at what cost they could be produced, as well as any plans for the imminent production of the goods or orders for the goods and any relevant information.

Documents attached are as follows:

- Two recent sales invoices for 40mm Grade 500N deformed bar.<sup>15</sup>
- ACRS certificates for Liberty Steel Rooty Hill<sup>16</sup> and Thailand's Millcon Steel.<sup>17</sup>
- An example of a Product and Availability Guide (for NSW) showing 40mm deformed bar offered.<sup>18</sup>

#### E.4

If you are capable of producing identical, like or directly competitive goods, provide reasonable evidence of likely terms and conditions of sale for these goods.

The likely terms and conditions of sale are contained in Liberty Steel's Product and Availability Guide.

Like or directly competitive goods would be offered on the same terms and conditions of sale as straight rebar. The Product and Availability guide details:

- the standard lengths for each diameter, eg. 40mm is sold in nominal 15m lengths.
- The nominal bundle weights, eg 40mm is 2.7T.
- The standard tolerances.
- The standard lead times.

Identical goods would be offered on the same terms and conditions of sale as non standard products requiring a minimum order quantity of 100 tonnes and would be produced according to the mills rolling cycle.

Documents attached are as follows:

- Two recent sales invoices for 40mm Grade 500N deformed bar.<sup>19</sup>
- ACRS certificates for Liberty Steel Rooty Hill<sup>20</sup> and Thailand's Millcon Steel.<sup>21</sup>
- An example of a Product and Availability Guide (for NSW) showing 40mm deformed bar offered.<sup>22</sup>

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<sup>15</sup> CONFIDENTIAL ATTACHMENT C and CONFIDENTIAL ATTACHMENT D.

<sup>16</sup> CONFIDENTIAL ATTACHMENT B

<sup>17</sup> CONFIDENTIAL ATTACHMENT A.

<sup>18</sup> CONFIDENTIAL ATTACHMENT E.

<sup>19</sup> CONFIDENTIAL ATTACHMENT C and CONFIDENTIAL ATTACHMENT D.

<sup>20</sup> CONFIDENTIAL ATTACHMENT B.

<sup>21</sup> CONFIDENTIAL ATTACHMENT A.

<sup>22</sup> CONFIDENTIAL ATTACHMENT E.

**PART F – Additional Comments**

**F.1**

Provide any additional comments including any other information that will assist the Commission in reaching a recommendation to the Minister regarding this application for exemption.

**PART G – Declaration**

I hereby declare that Liberty OneSteel (Newcastle) Pty Ltd, OneSteel NSW Pty Limited and The Australian Steel Company (Operations) Pty Ltd (collectively, Liberty Steel) (company)

has completed the attached response to application for exemption and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

**Name** : [REDACTED]

**Signature** : [REDACTED]

**Position in Company** : DIRECTOR

**Date** : 12 April 2019